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**Builders
Association
of Greater
Indianapolis**



Where the Quality Standards are Set.

May 7, 2012

Dear Mayor, Council Members and Plan Commission Members,

On behalf of the Builders Association of Greater Indianapolis, please accept this letter as you consider the proposed increase in the City's road impact fee. As the professional trade association representing the residential construction industry, we are in support of impact fees for infrastructure to support new development and economic growth.

However, the process and planning to develop impact fees must take into account various technical and practical considerations. Our review of the plan indicated the following items warrant your further consideration and discussion:

First, the proposed increase more than doubles the existing road impact fee for single family homes from \$1800 to \$3,837. Such a dramatic fee increase will choke any positive steps the industry and market are making towards a solid recovery. Such an increase will dramatically and negatively impact homebuyers. Now simply is not the time to add such a significant burden.

Second, it is not clear why the fee for new homes would go up so dramatically when the projections for new home growth have slowed so dramatically since the last Zone Improvement Plan. As a result, the increase cannot be justified based upon an increase in the pace of new home construction. If anything, common sense instructs that the impact of new homes would be reduced when the pace of new home construction has slowed.

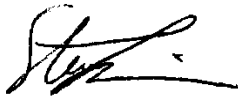
Third, it appears that the increased fee may be driven by improvements needed to be made as a result of the US 31 improvements and not necessarily due to increased impacts by new developments on the roadways. To that extent, it does not seem that those US 31-related improvements should be attributable to new development.

As you know, the cost of planned road projects/improvements not only adds burden to the cost of new housing construction but the level of service in the plan requires the City to identify taxes or bonds to pay the existing population's share of the improvements. Thus, the higher the fee, the greater funding the existing population must also bear, too. The improvement plan does not adequately address this item.

Builders Association of Greater Indianapolis
May 7, 2012
Page Two

We appreciate your consideration of our comments and look forward to an opportunity to work together in creating an impact fee that meets the needs of all segments of the community. The common goal to ensure that positive economic growth continues in the City of Westfield is in everyone's best interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Lains", with a stylized flourish at the end.

Steve Lains
Chief Executive Officer